Fulbright Urges Expansion Of Hearings on Kleindienst

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Sen. J. W. Fulbright D-Ark.) yesterday urged the Senate Judiciary Committee to expand its hearings on the nomination of Richard G. Kleindienst as Attorney General to consider the recent flap over the domestic telecast of a United States Information Agency film on Czechoslovakia.

On the eve of a crucial Judiciary Committee meeting to determine the future of the Kleindienst hearings, Fulbright, chairman of the Senate Foreign Relations Committee, questioned the Cabinet nominee's "interpretation of the laws" concerning USIA films.

Over Fulbright's objections, Kleindienst last week said that is "would not violate existing law" for Sen. James L. Buckley (Cons.-R-N.Y.) to include the Czechoslovakia film in a broadcast to his constituents.

Fulbright claimed that such a broadcast violated a 1948 law which sought to prevent USIA from performing a domestic propagandizing function.

In a letter to Judiciary Committee Chairman James O. Eastland (D-Miss.), the Arkansas senator suggested a review of his correspondence of last week with Kleindienst as "a pertinent subject of inquiry in considering his qualification to be Attorney General of the United States."

Sources close to Fulbright said yesterday that he believes a substantial bipartisan majority in the Senate supports his interpretation of the statutes governing USIA.

In its executive session this morning, the Judiciary Committee is also expected to take up the disclosure yesterday that shortly before an antitrust settlement with the International Telephone and Telegraph Corp., the Justice Department permitted ITT to separate out a division of one of the subsidiaries the conglomerate would be required to give up.

Democratic sources on the committee said they were disturbed by a report in The Wall Street Journal that the parent ITT corporation bought ITT Levitt Development Corp. back from ITT Levitt & Sons Inc. on June 29, 1971.

That was 12 days after the Justice Department proposed a settlement requiring ITT to give up $1 billion worth of assets, including ITT Levitt & Sons Inc.

The ITT settlement has been under review in the Kleindienst hearings, at the nominee's own request, ever since columnist Jack Anderson reported that Kleindienst held several private meetings last year with Felix G. Rohatyn, an ITT director.

The committee has also been investigating whether the ITT antitrust settlement was connected to the company's pledge of at least $200,000 to support this year's Republican National Convention.

A Justice Department spokesman insisted yesterday that the Levitt Development Corp., which was a land-holding operation doing business primarily in Florida, was "an insignificant part of Levitt."

In 1970, the spokesman said, it represented only 6 per cent of Levitt's sales, and in 1971 accounted for less than 20 per cent of Levitt's net earnings.

To separate it from Levitt, he added, made the ITT settlement no less advantageous from the government's point of view.

The sale of the development corporation back to the parent company was incorporated in a private "memo of understanding" filed with the Securities and Exchange Commission, the spokesman said, although it was not listed in public court documents connected with the settlement.

It was just that sort of information which Democrats on the Judiciary Committee sought to obtain by requesting the Justice Department's internal files on the ITT settlement. The department has thus far denied the request.

There were these other developments connected with the hearings yesterday:

- The Ripon Society, a liberal Republican organization, opposed a forced cutoff of the Kleindienst hearings, lest it have "disastrous" effects on GOP candidates in this year's election.

Paul F. Anderson, chairman of Ripon's national governing board, said that "certainly there is a reasonable position between a precipitous shutdown of the hearings on the one hand and an endless fishing expedition on the other."

- Texas Attorney General Crawford Martin urged the Judiciary Committee to explore why Kleindienst authorized the granting of immunity to Houston financier Frank Sharp during the prosecution of a Texas stock case last year.

After pleading guilty to two minor federal offenses, Sharp was fined $50,000 and placed on probation. Martin said doubt remained as to why Sharp "was not prosecuted for his part in the alleged conspiracy" in the stock case.

- Committee sources in both parties predicted again that today's meeting would reach a compromise solution on calling more witnesses before Kleindienst's nomination is taken up on the Senate floor. At least eight names remain on the committee's original witness list.